

March 9, 2003

I am the president of A&C. Aviation, Inc. a local company that has been based at Lakefront Airport since 1982. Although we operate continuously from this facility, I knew very little about the privatization plan until I attended a very informative meeting held recently by an AOPA volunteer and a professional airport consulting firm. What an eye-opener!!! At this meeting I learned some extremely disturbing facts about American Airports, the company awarded the management contract, and the bid process itself. For example, I learned that the Orleans Parish Levee Board, the agency currently controlling Lakefront Airport, claimed to have held numerous "public" meetings to discuss privatization and the bidding process associated with this initiative. Really!!! As a business owner based at Lakefront Airport I was never made aware that such meetings were being held. I have never seen flyers posted around the airport announcing these meetings, nor have I read notifications published by the Orleans Parish Levee Board in the local newspaper advertising public meetings on this issue. Consequently, I was not afforded an opportunity to attend these "public meetings" to learn the details of this project, the qualifications of the company awarded the management contract, or the plans that company has for Lakefront Airport. After speaking to a number of tenants at Lakefront Airport and pilots based at this facility, I seriously question whether these meeting were "public" as the Levee Board claims, or closed door affairs where critical decisions were made in a vacuum. This could be violation of our states "sunshine" law. If privatization is such a good thing for our airport, why were meeting schedules not vigorously publicized? Why did I have to learn the details of this privatization process from an AOPA volunteer and a private consulting firm instead of the people actively involved in the bidding process or the company awarded the 50 year lease. What does the Levee Board or American Airports have to hide?

The answer to this question is becoming painfully obvious. Based on the information I obtained from the professional airport consultants, I have grave concerns for the continued viability of Lakefront Airport and the small businesses currently operating there, including mine. My primary concern revolves around the concept of "affiliates" that is a part of the lease agreement with American Airports. It is my understanding that the lease agreement grants American Airports the authority to designate specific companies or entities as "affiliates." Apparently, the lease allows American Airports to own up to 49% interest in these affiliate companies. If this is accurate, I see a great potential for American Airports to monopolize business at Lakefront Airport through their affiliates. This sweetheart deal between American Airports and their affiliates would funnel essential revenue away from Lakefront Airport and into the pockets of private individuals. It would do nothing to improve the physical assets of Lakefront Airport, or the business climate that supports this facility. And what would become of companies currently doing business at Lakefront Airport if this affiliate clause is allowed to remain in the lease agreement. If American Airports has a business interest in their affiliates, could they use their power and influence as airport management to direct business to their affiliate companies and away from companies with whom they share no interest? If so American Airports could effectively "kill off" companies competing with their affiliates and become a monopoly on the airport. Monopolies are never conducive to fair trade and affordable pricing and I doubt Lakefront Airport would realize any benefit from this situation. To the contrary, I believe that if this affiliate clause remains a part of the lease agreement, the cost of doing

business at Lakefront Airport would increase. The price of doing business at Lakefront Airport is already considerable. A business monopoly could increase these costs to a point where non-affiliate companies could no longer afford to remain on the field.

An associated concern is the possibility of American Airports reducing or eliminating the minimum standards on the field. Why is American Airports not contractually obligated to adhere to the minimum standards so judiciously guarded by the FAA at airports around the country? These minimum standards exist to provide a level playing field for all business interests at individual airports. Amazingly, the lease agreement with American Airports removes these minimum standards from the equation. How can the FAA allow this to occur. This is contrary to a policy that the FAA has rigorously enforced throughout the nation and is detrimental to established business interest already on the field.

Another concern is the proposed development of airport land for non-aviation use. An example is the proposal to utilize vacant land on the east end of the field to build condominiums. Would the revenues generated by this project be dedicated to aviation development at Lakefront Airport, or would they go exclusively to private interests. Disturbingly, this development could actually diminish Lakefront Airport's aviation capabilities by permanently closing runway 9/27 to accommodate the condominiums. I don't call this airport development. I call this a bare-naked land grab. It is no secret that lakefront property is extremely valuable. Could this be the motive behind the affiliate clause in the lease agreement? Would American Airports remain interested in managing Lakefront Airport if the affiliate clause were removed from the lease? I would like to see a clause in the lease prohibiting American Airports from owning interest in any business operating on the grounds of Lakefront Airport.

I concede that some of the concerns expressed in this letter are mere speculation. However, after digesting the information presented at the previously mentioned meeting, and reading the comments posted on you web site, I feel that the lease agreement with American Airports, in its current form, is an invitation to corruption. In a state widely recognized for its outrageous corruption scandals and political cronyism, turning over an entire airport and all of its assets to a questionable company with dubious intentions is not a wise move. Lakefront Airport is a valuable asset to national aviation interests as well as the City of New Orleans. Anything less than competent, honest, progressive management of Lakefront Airport is unacceptable. Therefore, I join the other voices expressing apprehension on your web site in requesting a 60-day extension. I also implore the FAA to come to New Orleans and personally listen to the substantial concerns of the pilots and tenants of Lakefront Airport and the residents of the surrounding neighborhoods. If these concerns are aired in a public forum sponsored by the FAA, I am certain you will recognize that the future of Lakefront Airport as a viable general aviation facility is in grave danger. Privatization should benefit the airport, the FAA, and the aviation community, not a few prominent and politically connected individuals.

I will forward a copy of this letter to Congressman David Vitter and request his presence at any public forum scheduled to discuss this ill-advised idea.

Respectfully,

Donald J. Curole  
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New Orleans Lakefront Airport